

Report in Brief

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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

Under the home health prospective payment system (PPS), the Centers for Medicare & Medicaid Services pays home health agencies (HHAs) a standardized payment for each 60-day episode of care that a beneficiary receives. The PPS payment covers intermittent skilled nursing and home health aide visits, therapy (physical, occupational, and speech-language pathology), medical social services, and medical supplies.

Our prior audits of home health services identified significant overpayments to HHAs. These overpayments were largely the result of HHAs improperly billing for services to beneficiaries who or were not confined to the home (homebound) or were not in need of skilled services.

Our objective was to determine whether Catholic Home Care complied with Medicare requirements for billing home health services on selected types of claims.

How OIG Did This Audit

Our audit covered over \$103 million in Medicare payments to Catholic Home Care for 28,645 claims for home health services provided in calendar years 2017 and 2018 (audit period). We selected a simple random sample of 100 claims and submitted records associated with them to an independent medical review contractor to determine whether the services met coverage, medical necessity and coding requirements.

Medicare Home Health Agency Provider Compliance Audit: Catholic Home Care

What OIG Found

Catholic Home Care did not comply with Medicare billing requirements for 17 of the 100 home health claims that we reviewed. For these claims, Catholic Home Care received overpayments of \$25,742 for services provided during our audit period. Specifically, Catholic Home Care incorrectly billed Medicare for services provided to beneficiaries who did not require skilled services and for some dependent services that did not meet coverage requirements. On the basis of our sample results, we estimated that Catholic Home Care received overpayments of at least \$4.2 million for the audit period.

What OIG Recommends and Catholic Home Care Comments

We recommend that Catholic Home Care: (1) refund to the Medicare program the portion of the estimated \$4.2 million overpayment for claims incorrectly billed that are within the reopening period; (2) exercise reasonable diligence to identify, report, and return overpayments in accordance with the 60-day rule and identify any of those returned overpayments as having been made in accordance with this recommendation; and (3) strengthen its procedures for billing home health services.

In written comments on our draft report, Catholic Home Care did not indicate concurrence or nonconcurrence with our recommendations; however, it disagreed with our findings. Specifically, Catholic Home Care stated that OIG's determinations did not conform with current case law, Medicare standards and guidelines, or clinical facts set forth in Catholic Home Care's records. As part of its comments, Catholic Home Care also provided summary rebuttals for each of the sampled claims questioned in our draft report and submitted a report prepared by a home health care consultant. The consultant reviewed all the questioned claims and determined that they met applicable Medicare coverage requirements. Catholic Home Care also submitted additional medical documentation for two sampled claims.

Based on our review of the additional documentation provided by Catholic Home Care, we revised our determinations for two sampled claims and our related findings and recommendations. We maintain that our findings and recommendations, as revised, are valid, although we acknowledge Catholic Home Care's right to appeal the findings.